

**- Hall, Schumer: Volunteers Left in the Dust as Gas Mileage Rate Increases Only for Businesses; Business Travelers Get 58.5 Cents/Mile as Volunteers Get Appalling 14 Cents/Mile -**

**- Proposal Supported By More Than 100 Charitable Organizations, Including Local Red Cross, Catholic Charities, Family Services, Inc. -**

**- Standing with Representatives from Local Charities at Dutchess CAP Office, Schumer and Hall Make Push to Ease Pain at the Pump for Local Charities and Volunteers -**

Beacon, NY – With Dutchess County facing reductions in their volunteer forces as rising gas costs make driving too expensive, U.S. Senator Charles E. Schumer (D-NY) and U.S. Representative John Hall (D-NY19) announced their push for bipartisan legislation to dramatically increase the size of the tax deduction for miles driven while performing charity work. In June, business travelers received a gas mileage rate hike from the Internal Revenue Service to 58.5 cents per mile but the rate for charity workers remained at just 14 cents per mile.

To make sure charity workers who provide valuable services to the elderly, disabled and others receive a fair reimbursement rate, Schumer and Hall are proposing a bill that would nearly triple the current rate of 14 cents per mile -- which hasn't been increased since 1997 -- to better keep pace with the record spike in gas prices. The bill would permanently set the charity mileage reimbursement rate at 70 percent of the business rate.

"It's almost inexplicable that there is such a gap between the business rate and the charitable rate. Right now, charities are being punished because the law has not kept pace with the spike in gas costs," Schumer said. "The size of the deduction for volunteer work is paltry and antiquated. This fix will allow volunteers to keep doing their important work despite the pain at the pump." "Volunteers trying to make a difference in their community shouldn't have to cut back because of high gas prices," said Hall. "America's spirit of community responsibility is one of our most vibrant assets, and we need to keep it strong by increasing the deduction for charitable driving. This increase in the deduction will make it easier to do the things that make our neighbors lives better."

Local charities provide critical assistance to residents across Dutchess County and the entire region, including food delivery, home aide visits, doctor's visits and other services that require volunteers and employees to drive. But soaring gas prices are forcing many local charities to either cut back or cut off the much-needed services to Dutchess County and area residents.

In June, the Internal Revenue Service increased the mileage rate for business use from 50 cents per mile to 58.5 cents. Americans who use their car to perform charity work are also allowed to take a deduction on their taxes for each mile driven. But due to a quirk, the IRS does not have the power to make adjustments administratively to the mileage rate for charity work. That rate, which is set at a meager 14 cents, can only be adjusted by statute.

In an effort to help charities slammed by record-high gas prices, Schumer and Hall, joined by representatives from the Red Cross, Meals on Wheels, and Family Services, Inc. announced the introduction of their bills to permanently set the charity mileage reimbursement rate at 70

percent of the business rate. This would have the effect of increasing the deduction from its current level of 14 cents per mile to about 40 cents per mile. In the future, when the IRS makes new adjustments to the business rate, the charity rate would also get a proportional lift. The Senate bill would also change current law so that volunteers who are already reimbursed for their travel by a charitable organization at the business rate can no longer be taxed on the difference between that amount and the mileage rate for volunteers.

According to the American Automobile Association, in 2007, for an average car driven 10,000 miles a year, the true cost was closer to 71 cents a mile – and that was before gas prices soared to above \$4/gallon this year.

The legislation would boost the incentive for volunteers to continue performing work for charities, even as rising gas costs threatens to make those activities cost-prohibitive. Dozens of volunteer organizations have described a severe drop in participation as gas costs prices have risen above four dollars a gallon.

Schumer's bill, called the Giving Incentives to Volunteers Everywhere (GIVE) Act of 2008, is co-sponsored by Senators Christopher Dodd (D-CT) and Russ Feingold (D-WI).

Hall is introducing a companion bill in the House to Schumer's GIVE Act. Several of the leading charitable organizations in the Hudson Valley support the proposal, including the Red Cross, Family Services, Inc, and the AARP.

"People in our community are very generous with their time and talent. Even in these challenging economic times they want to give. This legislation helps people defray the cost of giving," said Susan West, Executive Director, Family Services, Inc.

"The GIVE Act is vitally important to helping charitable groups throughout the state recruit and retain the many volunteers who use their own motor vehicles to help people in need," said Lois Aronstein, AARP New York State Director

Nationwide, several leading charitable organizations publicly embraced the legislation, including the Red Cross, United Way, Catholic Charities, Independent Sector and the UJA Federation of Jewish Philanthropies of New York.

Gail J. McGovern, President and CEO of the American Red Cross, said: "The American Red Cross strongly supports this bill to help relieve the burden of gas prices on volunteers who donate their time to serve people in need. It will help ensure that Red Cross volunteers can continue to respond to some 200 disasters and emergencies every day in communities across our country." -30-